The Real Estate ANALYST

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Roy Wenzlick
Editor

A concise easily digested periodic analysis based upon scientific research in real estate fundamentals and trends....Constantly measuring and reporting the basic economic factors responsible for changes in trends and values.....Current Studies .... Surveys....Forecasts

VOLUME X

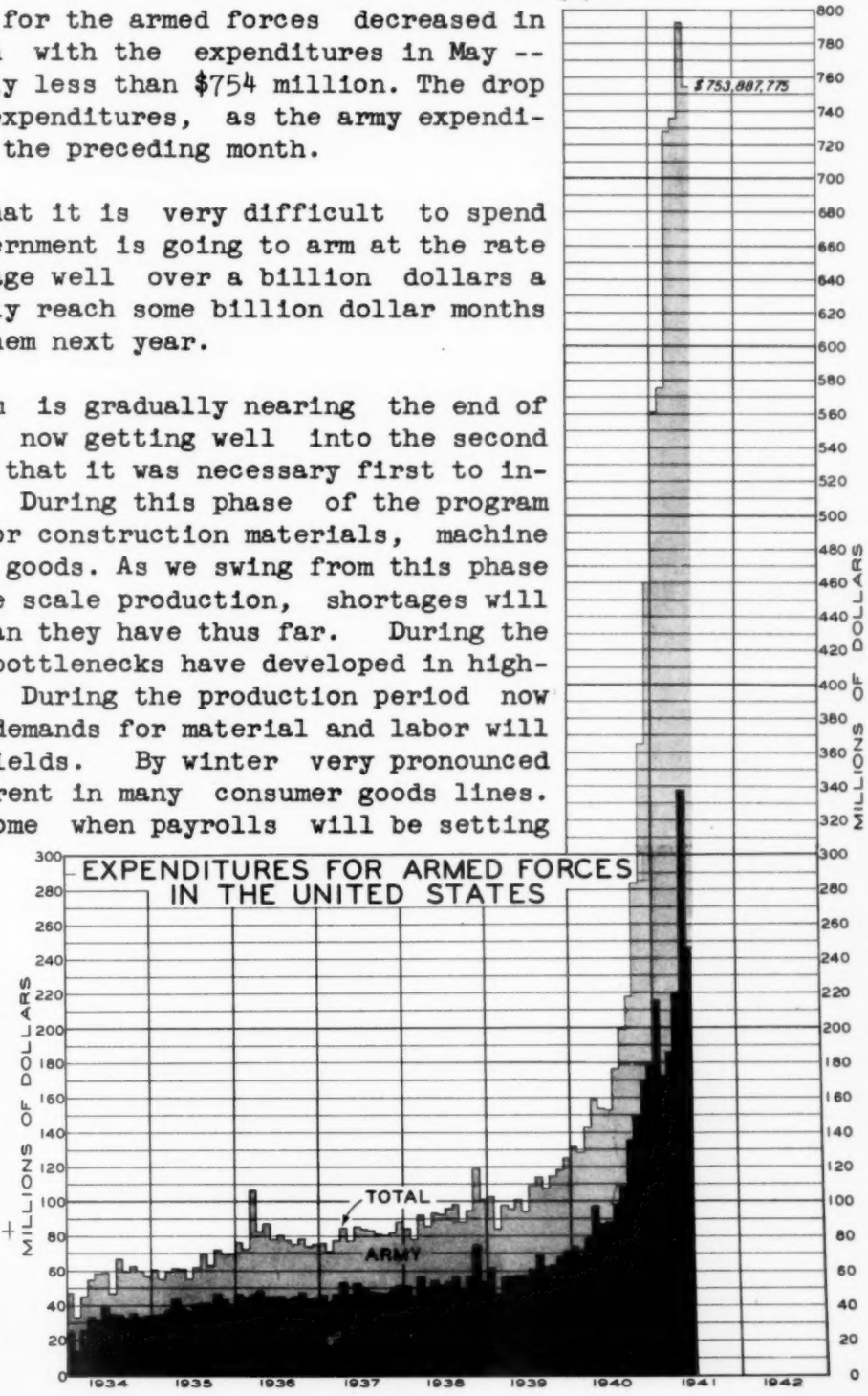
REAL ESTATE ECONOMISTS, APPRAISERS AND COUNSELORS

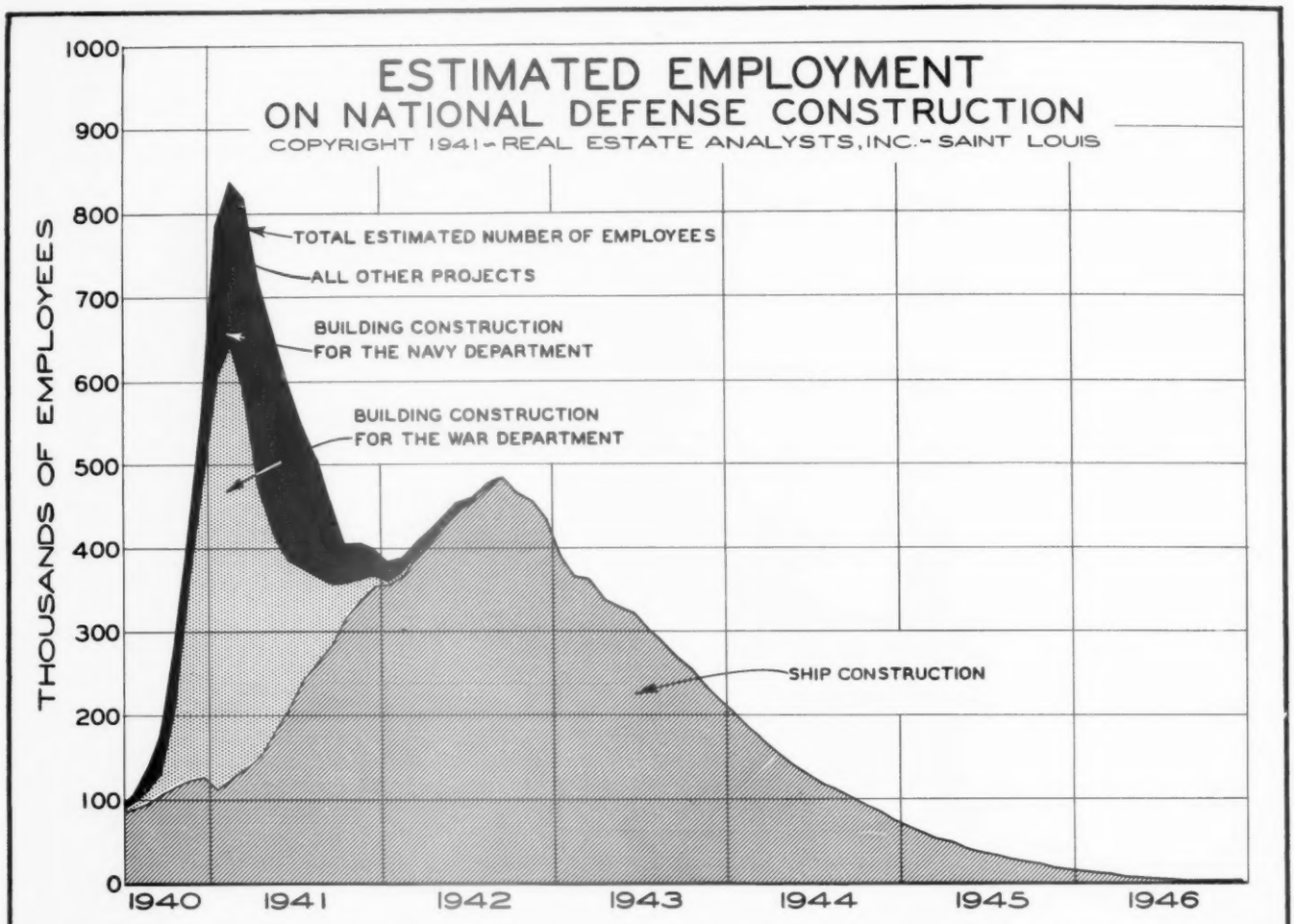
REAL ESTATE SALES WILL INCREASE

ACTUAL expenditures for the armed forces decreased in June in comparison with the expenditures in May -- dropping to slightly less than $754 million. The drop was due to lower navy expenditures, as the army expenditures exceeded those of the preceding month.

This all proves that it is very difficult to spend money fast. If the government is going to arm at the rate planned, it must average well over a billion dollars a month. We shall probably reach some billion dollar months this fall and many of them next year.

Our defense program is gradually nearing the end of its first stage and is now getting well into the second stage. By this we mean that it was necessary first to increase plant capacity. During this phase of the program the major demand was for construction materials, machine tools and heavy durable goods. As we swing from this phase into the phase of large scale production, shortages will develop more rapidly than they have thus far. During the tooling-up period many bottlenecks have developed in highly specialized fields. During the production period now ahead of us, tremendous demands for material and labor will be spread over many fields. By winter very pronounced shortages will be apparent in many consumer goods lines. These shortages will come when payrolls will be setting high records. Ordinarily much of this increased spending power would go into automobiles and other semi-luxuries. These will not be available in sufficient quantities, and in our opinion a larger portion than usual of the hard to spend funds will go into real estate, and some of this will go into the purchase of older houses already built.





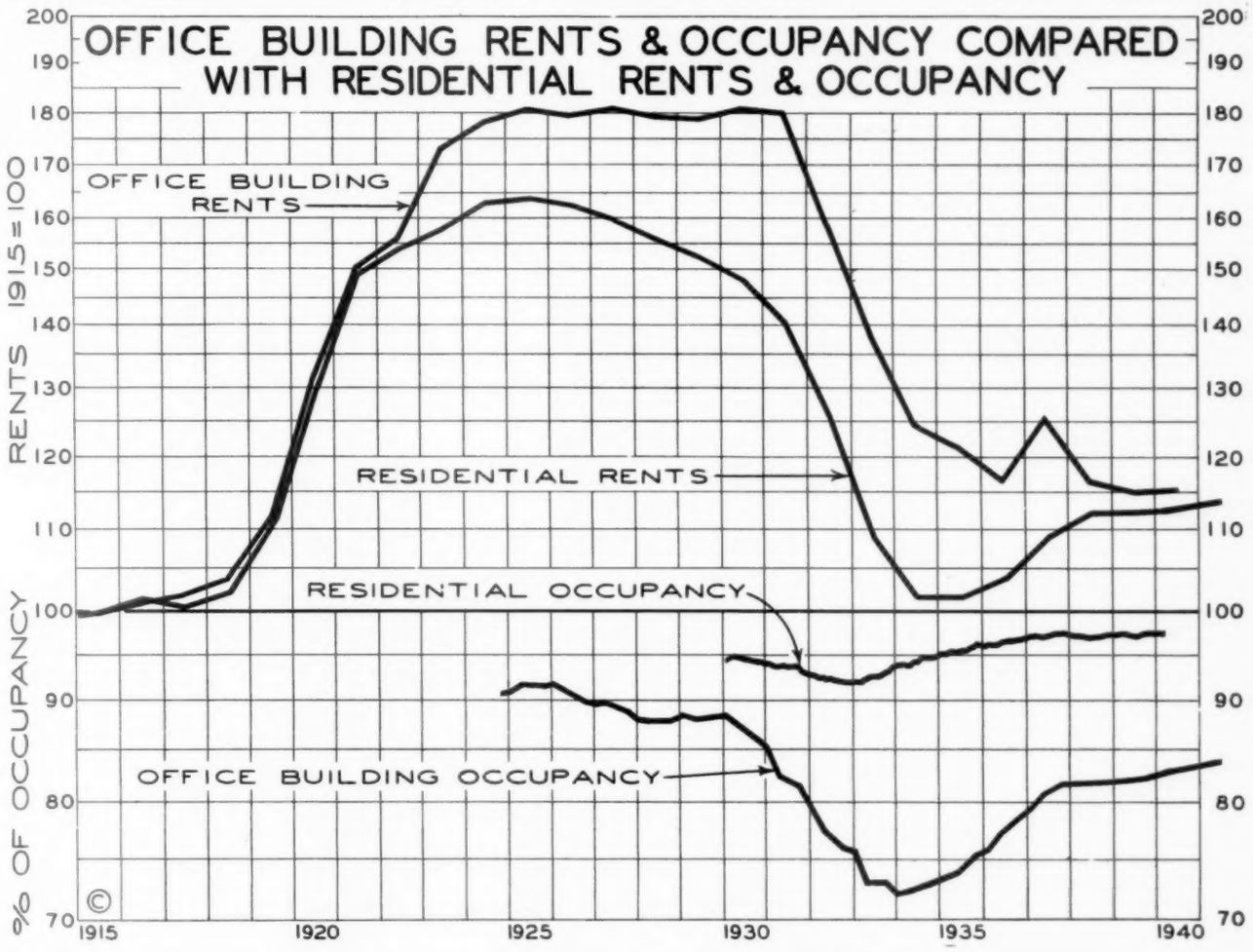
THE peak is past in direct defense construction employment. The chart above shows that employment on all national defense construction reached a high of 825,000 workers in February 1941. Total construction employment is expected to decline to 380,000 by the end of 1941.

As the chart indicates, these figures include all types of defense construction, even including the construction of ships. The estimates through 1946 are government estimates of the number of men who will be employed to take care of all work now contemplated.

Our opinion is that these estimates are too conservative, as much of the work will not be finished on schedule and it is highly probable that work now contemplated will be greatly increased by emergencies certain to develop in the period ahead. For instance, it now seems probable that the United States may decide to build additional camps - which would mean that the building construction for the War Department would be considerably higher in the months ahead than is shown in this study. Even though we should embark on a new camp program, it still seems apparent that the total construction employment will not equal the levels of last February.

We wish that the figures were available on operating personnel in defense plants and that these figures could be added to the chart shown. Only by a summation of this sort is it possible to estimate the future employment.

From this study we are convinced that any bottleneck that might develop in the construction field for private operators will not be the result primarily of competition of government construction projects.



OFFICE BUILDING AND RESIDENTIAL RENTS AND OCCUPANCY

YEAR	1915	1916	1917	1918	1919	1920	1921	1922	1923
OFFICE BUILDINGS									
Rents	100	101	102	104	112	132	151	156	173
Occupancy*	--	--	--	--	--	--	--	--	--
RESIDENTIAL BUILDINGS									
Rents	100	101.2	100.3	102.2	110.7	130.0	149.3	154.0	157.8
Occupancy	--	--	--	--	--	--	--	--	--

YEAR	1924	1925	1926	1927	1928	1929	1930	1931	1932
OFFICE BUILDINGS									
Rents	178	31	180	181	180	179	181	180	159
Occupancy*	--	92.0	91.5	90.1	88.1	88.2	87.6	82.7	77.6
RESIDENTIAL BUILDINGS									
Rents	163.2	164.1	162.5	160.0	156.1	152.5	148.3	140.6	126.1
Occupancy	--	--	--	--	--	--	94.8	93.7	92.6

YEAR	1933	1934	1935	1936	1937	1938	1939	1940	
OFFICE BUILDINGS									
Rents	139	125	122	117	126	117	115.1	115.3	
Occupancy*	73.1	72.6	74.0	77.3	80.9	81.9	82.2	83.0	83.9
RESIDENTIAL BUILDINGS									
Rents	108.8	101.8	101.8	103.9	109.0	112.4	112.4	112.5	113.9
Occupancy	92.9	94.7	95.9	96.9	97.4	97.4	97.5	97.6	

* Spring figure given.

NEW RESIDENTIAL BUILDING WILL BE CONCENTRATED IN THE LOWER BRACKETS IN 1942

MANY of our clients are asking us to estimate for them the volume of residential building for 1942 by price classes of buildings. It is needless to say that any estimates of building in 1942 are difficult because of the probable shortages of material and labor. It seems to us, however, that there are certain basic assumptions regarding next year's building which must be taken into consideration.

I. Government officials have repeatedly said that we should build 625,000 dwelling units in the United States during 1942, including all public and private units, in order to take care of the actual housing need. This, of course, does not mean that we will build 625,000 units, but it should be remembered that the number that will be built in 1942 will depend on government attitudes toward the construction industry to a far greater extent than it ever has in the past. This will be especially true when shooting starts.

II. Material and labor shortages will become quite acute in 1942. The director of priorities has already made arrangements to insure the essential materials for defense housing. The requirement for securing priorities can be summarized in the four following statements:

1. Preference ratings will be given only in areas that have been officially declared defense areas. (At the present time there are 189 of these areas.)

2. Proposed houses must be suitable for workers either actually or potentially in some form of defense activity.

3. Reasonable preference in occupancy must be given to such persons.

4. The sales price must not exceed $6000 nor the shelter rent $50 per month.

If materials cannot be secured in defense areas for homes complying with the above requirements, the outlined procedure is to apply to the local FHA office certifying that the materials in question are essential and that there are no practical substitutes. It is not necessary that the loan be insured, as the FHA is merely acting as a clearing house for all construction priorities.

Materials for reconditioning or modernizing will be granted priorities only in those cases where the reconditioning is necessary for the continued use of the property for dwelling purposes.

These foregoing requirements do not mean that larger houses will not be built, but it does mean that special consideration cannot be secured if the materials are not available for non-defense uses.

III. Higher income taxes in the middle and higher brackets will limit the number of homes that can be sold at better than average prices. The difficulty in securing servants in competition with defense production will also limit materially the construction of larger homes.

IV. New building will be quite spotty during 1942 and concentrated to a very large extent in defense areas.

If we build the 625,000 dwelling units that the government thinks necessary to take care of the demand, in our opinion they will be divided into price classes about as shown on the tables below:

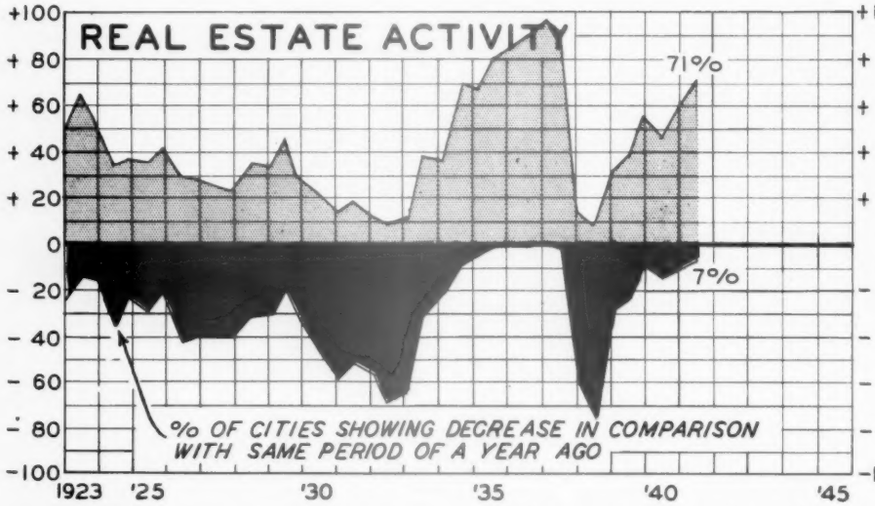
ESTIMATED RESIDENTIAL BUILDING BY PRICE RANGE FOR 1942

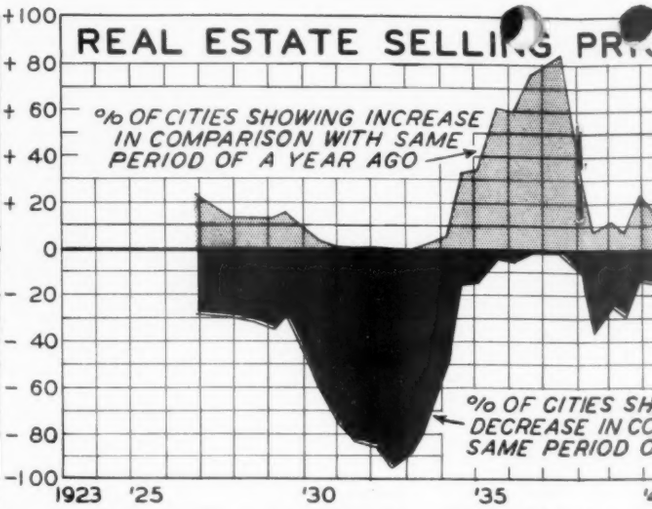
Contract Price of the House	Number of Units	Percentage
$15,000 and over	3,000	0.5%
10,000 to 15,000	16,000	2.6
7,500 to 10,000	44,000	7.1
6,000 to 7,500	93,000	14.9
5,500 to 6,000	50,000	8.0
5,000 to 5,500	57,000	9.1
4,500 to 5,000	112,000	17.9
4,000 to 4,500	63,000	10.0
3,500 to 4,000	50,000	8.0
3,000 to 3,500	50,000	8.0
2,500 to 3,000	31,000	5.0
2,000 to 2,500	24,000	3.8
1,500 to 2,000	13,000	2.1
1,000 to 1,500	7,000	1.1
500 to 1,000	5,000	.8
Under 500	7,000	1.1
Total	625,000	100.0%

CUMULATIVE TABLES

Contract Price	No. of Units	%	Contract Price	No. of Units	%
All units	625,000	100.0	All units	625,000	100.0
Over $ 500	618,000	98.9	Under $15,000	622,000	99.5
" 1,000	613,000	98.1	" 10,000	606,000	96.9
" 1,500	606,000	97.0	" 7,500	562,000	89.8
" 2,000	593,000	94.9	" 6,000	469,000	74.9
" 2,500	569,000	91.1	" 5,500	419,000	66.9
" 3,000	538,000	86.1	" 5,000	362,000	57.8
" 3,500	488,000	78.1	" 4,500	250,000	39.9
" 4,000	438,000	70.1	" 4,000	187,000	29.9
" 4,500	375,000	60.1	" 3,500	137,000	21.9
" 5,000	263,000	42.2	" 3,000	87,000	13.9
" 5,500	206,000	33.1	" 2,500	56,000	8.9
" 6,000	156,000	25.1	" 2,000	32,000	5.1
" 7,500	63,000	10.2	" 1,500	19,000	3.0
" 10,000	19,000	3.1	" 1,000	12,000	1.9
" 15,000	3,000	0.5	" 500	7,000	1.1

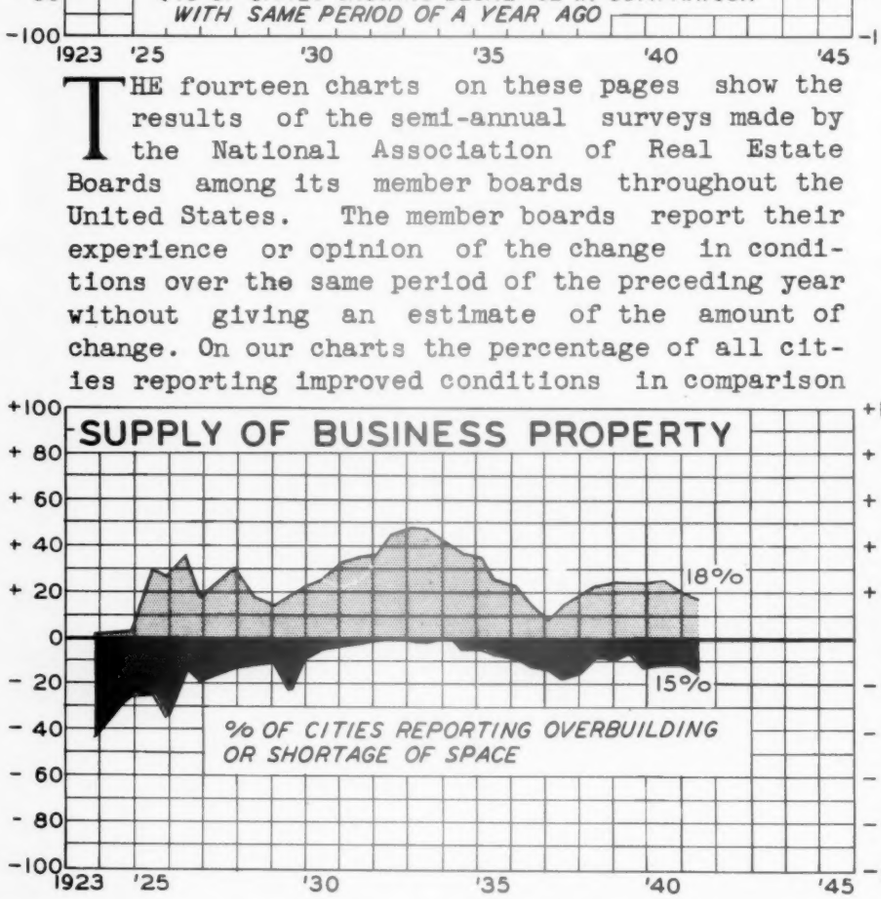
PERCENTAGES O

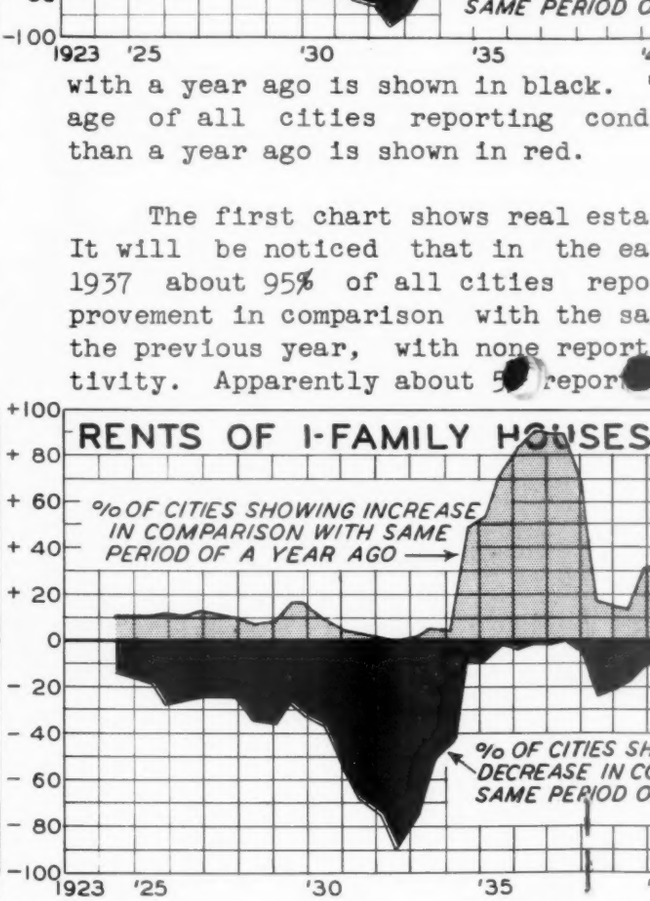




THE fourteen charts on these pages show the results of the semi-annual surveys made by the National Association of Real Estate Boards among its member boards throughout the United States. The member boards report their experience or opinion of the change in conditions over the same period of the preceding year without giving an estimate of the amount of change. On our charts the percentage of all cities reporting improved conditions in comparison with a year ago is shown in black. age of all cities reporting cond than a year ago is shown in red.

The first chart shows real esta It will be noticed that in the ea 1937 about 95% of all cities repo provement in comparison with the sa the previous year, with none report tivity. Apparently about 5 report



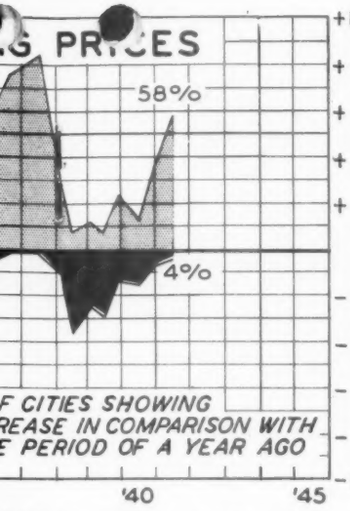


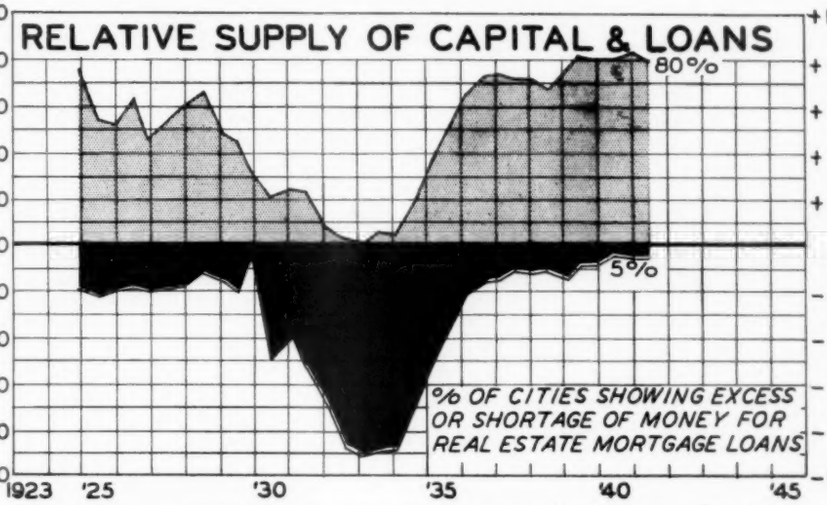
The chart above is rather surprising in that only 18% of the cities have reported an over-supply of business properties, while 15% report a shortage. In view of the situation a few years ago, when almost 50% of all cities reported an over-supply, this represents considerable improvement. No city of over 500,000 population reported a shortage and 50% reported an over-supply. The most frequent shortages were in the Southeast.

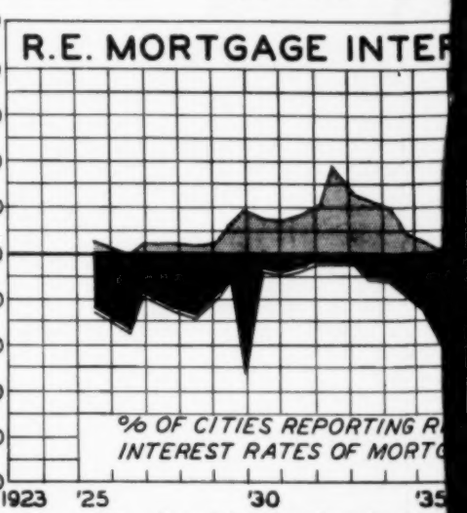
The chart above shows that 62% cities experienced an increase in one-family houses; only 4% reported movement in rent levels. 34% reporte

In defense areas 81% reported r none reported rents dropping. 92% o in the Great Lakes region reporte Cities of from 200,000 to 5 ,000 p ported the largest percentage of inc

S OF 211 CITIES REPORTING INCREASES C







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as that percentage is not accounted for by the addition of the plus and minus percentages. The movement at the present time is strongly up.

The chart on real estate selling prices shows that in 58% of the cities selling prices had increased in comparison with the same period of a year ago. Only 4% of the cities reported selling prices below the levels of a year ago. Apparently 38% reported no change.

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The third chart showi
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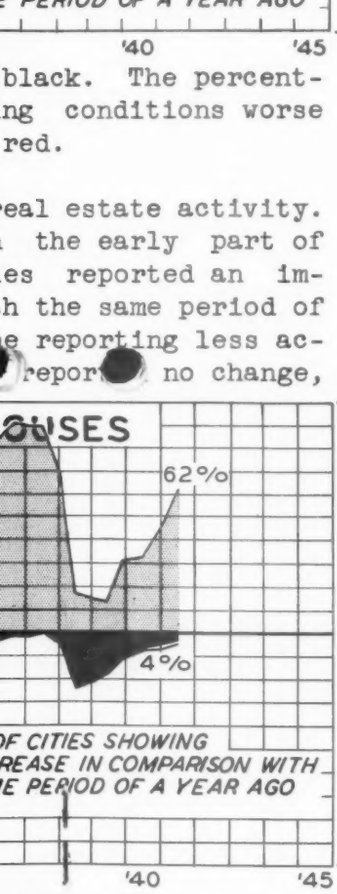

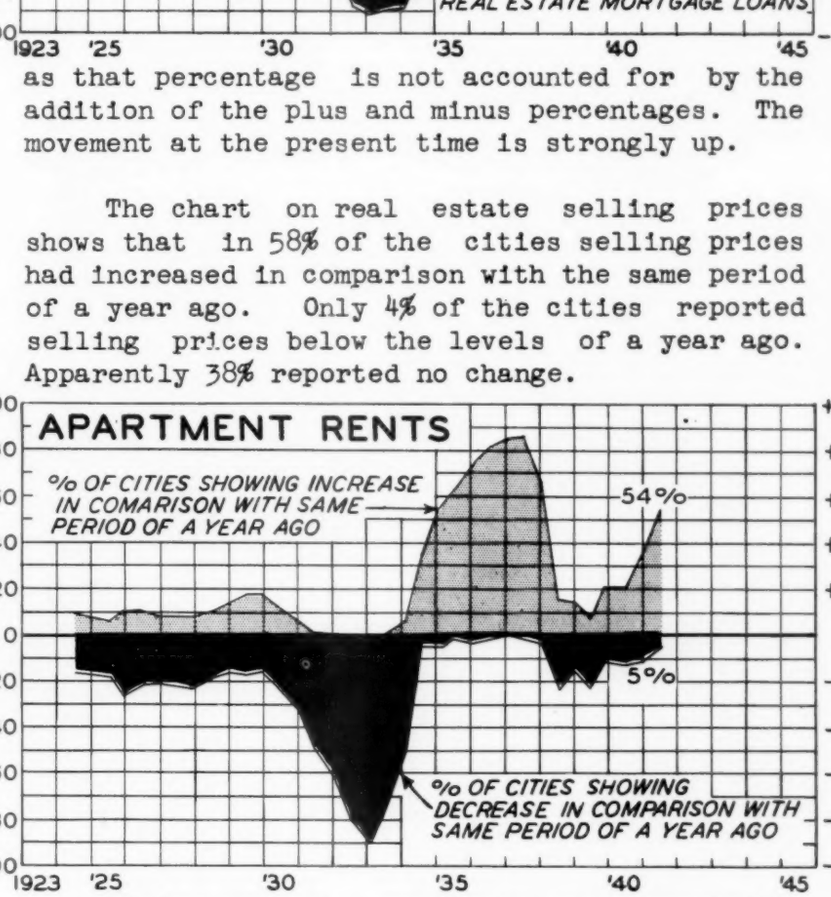

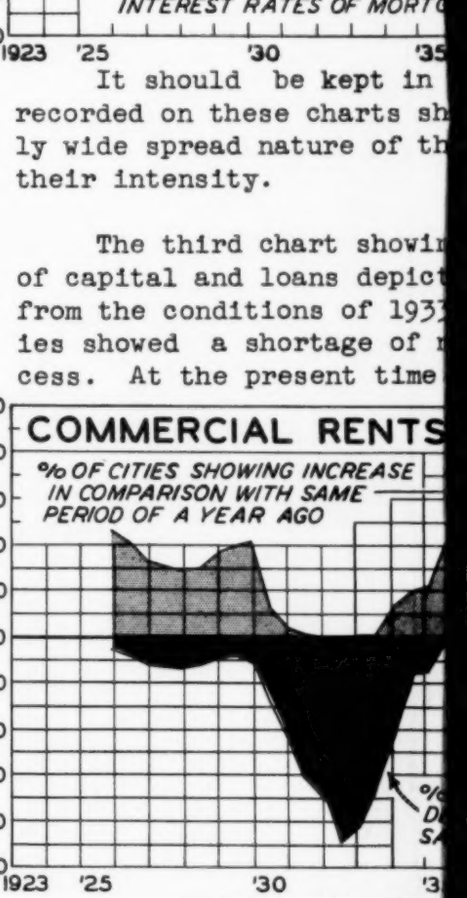

that 62% of the 211
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e of increases.

Rising rents in apartments were reported in 54% of the cities, while falling rents were reported in only 5%. 41% reported no change. This is a marked improvement over a year ago when only 21% of the cities reported a rising trend. In 1933, 90% of the cities reported apartment rents falling, with no cities reporting a rising trend. The Great Lakes area showed the most consistent rises and the South Central the largest percentage (35%) of drops.

Commercial rents in
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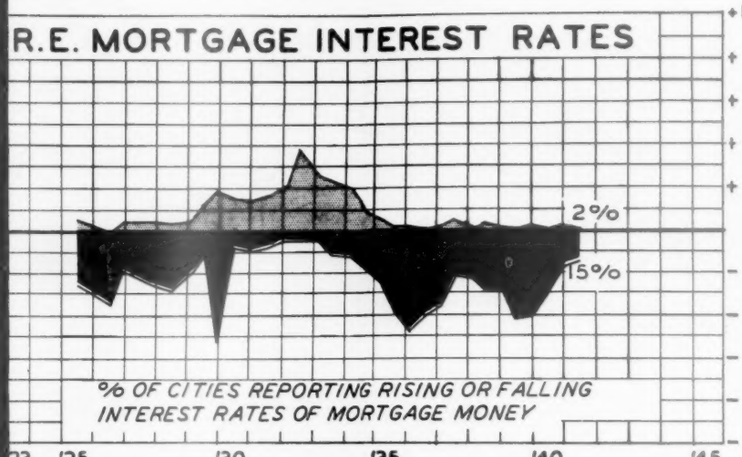
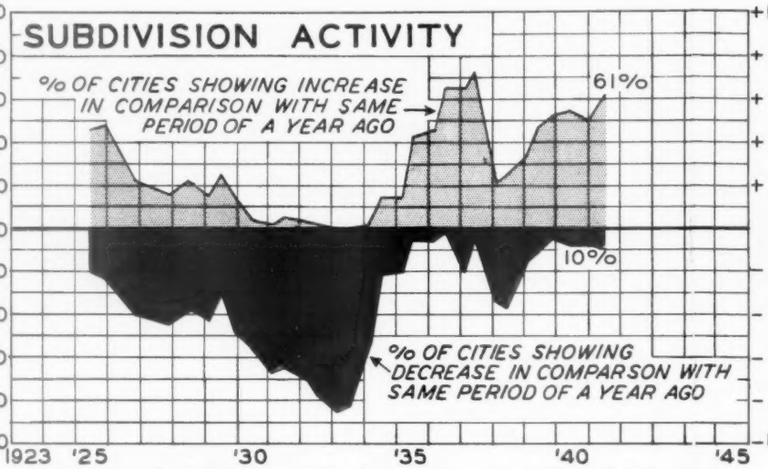
CREASES OR DECREASES IN VARIOUS REAL E

REAL ESTATE ANALYSTS, INC. ~ SAINT LOUIS



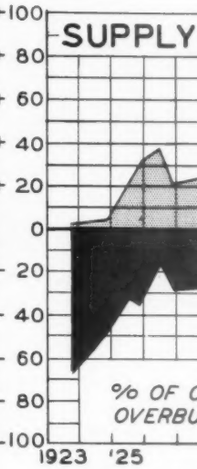
It should be kept in mind that the survey recorded on these charts shows the geographically wide spread nature of the changes rather than their intensity.

The third chart showing the relative supply of capital and loans depicts a tremendous change from the conditions of 1933 when 91% of the cities showed a shortage of money and none an excess. At the present time 80% of the cities report sufficient capital and only 5% difficulty in financing.



The fourth chart shows that in the great majority of cities there is no change in interest rates in comparison with a year ago. Only 2% of the cities reported an increase and only 15% a decrease, leaving 83% showing no change.

The fifth chart shows that subdivision ac-



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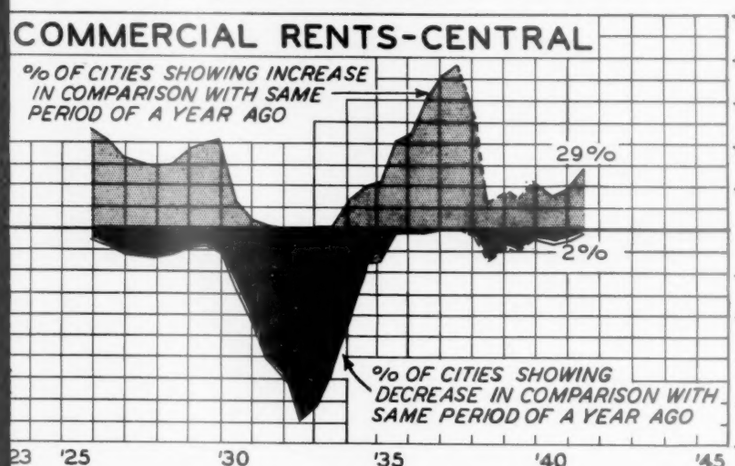
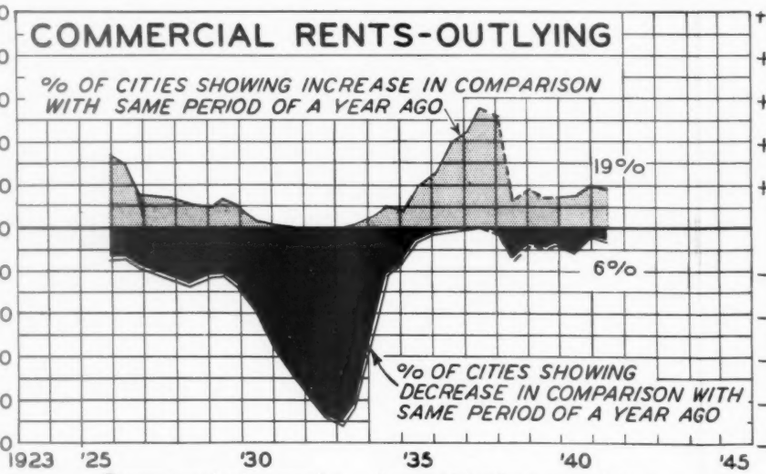
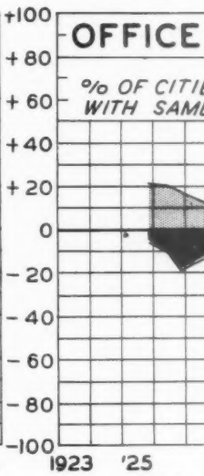


Commercial rents in central business properties were reported rising in 29% of the cities and falling in only 2%. 69% of the cities reported no change in rent levels on this type of property. No city of over 100,000 reported rents falling. The largest percentage of cities reporting rises (48%) was in the Southeast, and the smallest percentage (6%) was in the Southwest. In the Southwest 94% of all cities reported rents stationary.



Commercial rents in outlying centers were reported rising in 19% of the cities, falling in 6% and remaining stationary in 75%. The best showing was in the Southeastern states.

It is quite interesting that cities reporting lower rents in sub-centers were all cities of less than 200,000 population. The largest percentage of cities showing increases were cities of over 500,000 population.



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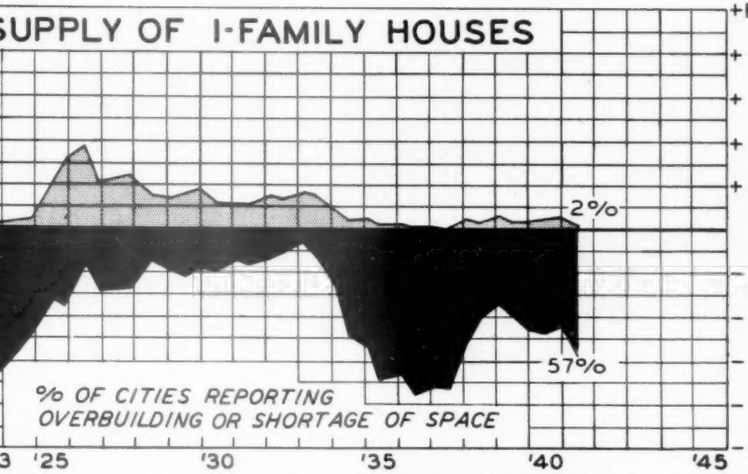
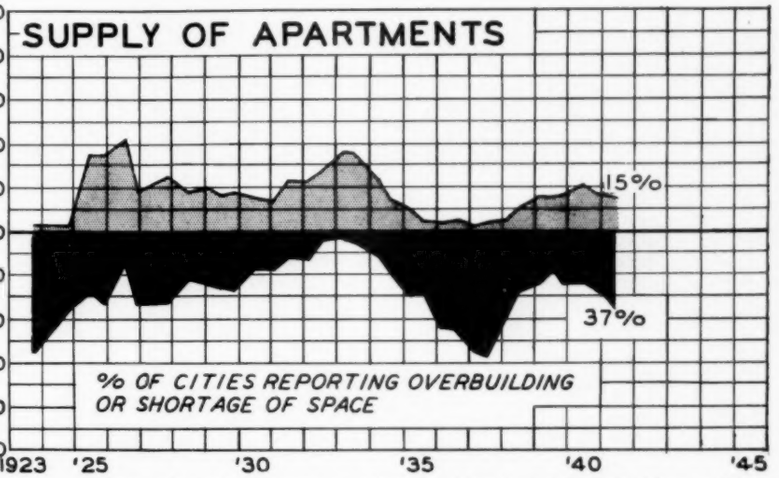


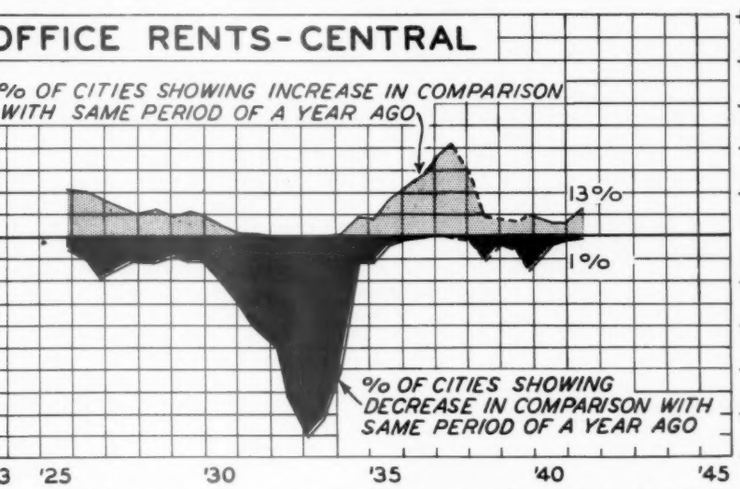


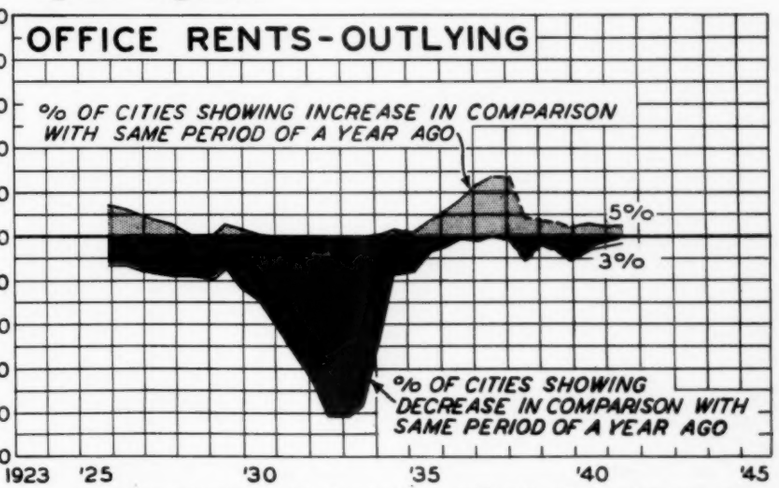
ivity has increased in 61% of the cities, has ecreased in 10% and has remained constant in %.

The chart above shows that only 2% of the ll cities believed that they had an over-supply f one-family houses, while 57% believed that an ctual shortage exists. In defense areas, 70% f the cities reported a shortage. 80% of the ities of the Northwest were short.

The chart above shows that 15% of the cities believed that they had an over-building of apartment space, 37% believed that a shortage existed, while 48% believed that their city was in a rather balanced position.

The greatest amount of over-building was in the South Central region; the greatest shortages were reported in the Great Lakes and in the New England regions.





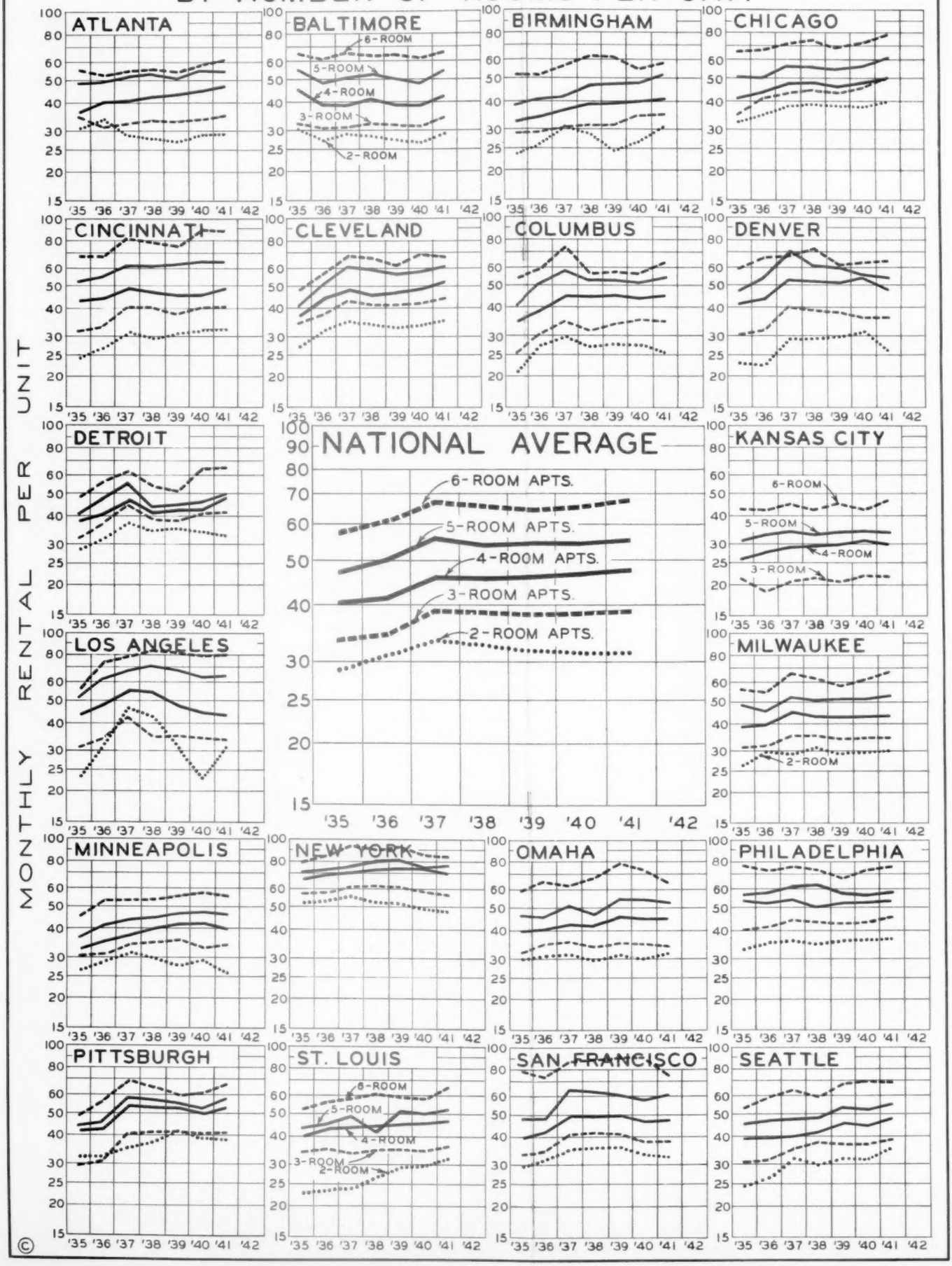
Office rents, both in central and outlying istricts,were reported to be more nearly stable han any one of the other twelve items covered n this page. In the central business districts 3% of the cities reported rents rising, 1% reorted rents falling,and 86% reported no change.

In New England, the Northwest and Southwest very city reported "no change." 29% of the cites in the Southeast report rents rising.

In outlying districts 5% of the cities reported rents rising, 3% reported them falling, and 92% reported no change in rent levels.

Every city of over 500,000 reported no change. All cities in New England and the Northwest showed no change. The largest percentage of cities showing increases (12%) was in the Southeast; the largest percentage showing decreases, in the South Central.

HEATED APARTMENT RENTS
BY NUMBER OF ROOMS PER UNIT



APARTMENT RENTS BY SIZE OF UNITS

HE table below shows the Real Estate Analyst rent index for heated apartments with different numbers of rooms per unit. It should be remembered that this index presents the average rent being asked for apartments for rent, rather than the average of rented apartments.

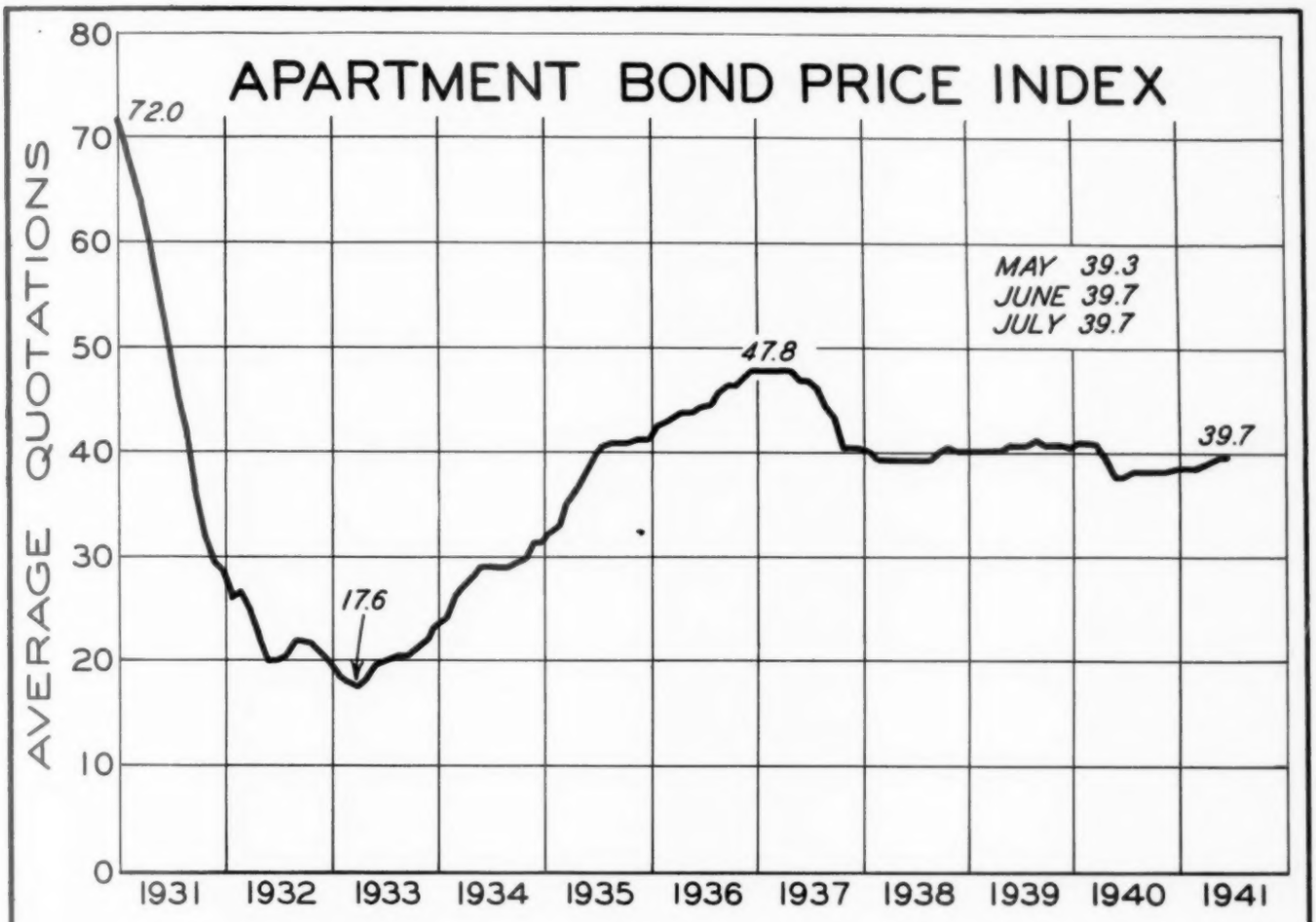
City	1935	1936	1937	1938	1939	1940	1941*
AVERAGE--20 CITIES							
Two-room	$28.54	$30.78	$33.68	$32.97	$32.52	$31.92	$31.90
Three-room	33.38	34.68	38.85	38.43	38.24	38.46	39.03
Four-room	40.14	41.98	46.03	45.55	45.85	45.80	46.60
Five-room	47.52	50.36	56.20	54.51	54.65	54.43	55.80
Six-room	57.96	61.10	67.41	65.98	65.01	66.42	67.20
Atlanta							
Two-room	31.20	34.42	28.24	28.26	27.87	28.85	28.75
Three-room	34.71	31.14	32.67	33.90	33.83	34.38	35.09
Four-room	36.60	41.20	41.20	43.20	43.74	45.60	47.38
Five-room	49.15	49.80	51.80	53.95	51.08	56.45	54.94
Six-room	56.70	53.46	56.10	56.88	54.47	59.00	60.15
Baltimore							
Two-room	30.38	27.28	28.40	28.00	27.50	27.05	28.87
Three-room	33.36	30.93	31.68	33.33	32.89	32.43	35.55
Four-room	45.48	38.84	38.80	40.52	38.73	38.45	42.50
Five-room	56.00	48.55	50.70	52.75	50.12	49.67	54.50
Six-room	65.82	61.20	66.72	63.12	64.23	61.40	65.90
Birmingham							
Two-room	23.84	26.30	30.06	28.64	24.56	27.10	30.58
Three-room	28.14	28.65	30.03	31.35	31.39	35.38	35.55
Four-room	33.04	34.40	37.64	39.52	39.64	40.00	40.05
Five-room	39.65	41.55	42.25	47.30	47.65	49.05	51.85
Six-room	52.14	51.84	57.18	63.06	61.60	55.54	58.00
Chicago							
Two-room	33.06	35.50	38.18	39.00	38.85	38.55	39.41
Three-room	36.36	42.09	44.25	45.30	44.77	46.04	50.10
Four-room	41.00	43.40	47.32	48.00	46.76	48.04	49.90
Five-room	51.50	51.50	57.75	57.10	55.94	57.38	61.90
Six-room	66.60	67.50	71.28	75.18	69.43	70.04	77.90
Cincinnati							
Two-room	24.40	27.08	31.40	29.62	31.11	32.12	32.22
Three-room	32.61	33.90	40.20	40.29	38.32	40.02	40.13
Four-room	40.32	43.92	49.40	47.40	46.56	46.55	48.60
Five-room	53.30	55.95	62.90	62.25	63.53	65.40	65.03
Six-room	68.04	67.80	81.12	79.38	74.59	89.50	88.00
Cleveland							
Two-room	27.24	32.60	35.34	34.20	33.65	33.94	35.65
Three-room	35.37	38.40	43.65	41.85	41.51	42.33	45.23
Four-room	37.16	44.68	48.48	45.72	46.94	48.60	51.45
Five-room	40.75	50.90	60.60	60.00	57.84	59.26	61.55
Six-room	47.88	57.00	68.70	67.08	62.02	68.84	67.00
Columbus							
Two-room	21.20	27.60	29.90	27.05	27.54	27.24	25.40
Three-room	25.38	30.60	36.40	33.35	35.34	36.56	35.45
Four-room	35.25	38.50	45.00	45.00	45.35	44.00	45.05
Five-room	40.20	50.60	59.50	54.00	53.11	52.33	54.90
Six-room	53.90	59.10	74.00	56.50	57.61	56.88	62.40
Denver							
Two-room	23.24	22.80	28.40	28.76	29.63	30.80	25.94
Three-room	31.11	33.30	40.17	39.90	39.14	36.83	36.80
Four-room	40.40	43.52	52.24	51.56	50.57	53.55	48.07
Five-room	48.10	55.60	70.25	61.85	60.63	57.40	54.92
Six-room	59.34	66.72	67.80	71.76	60.51	63.05	63.55
Detroit							
Two-room	28.38	31.80	37.50	35.50	36.13	34.19	33.30
Three-room	33.30	37.50	45.06	39.96	39.69	40.95	42.05
Four-room	38.00	40.28	46.60	40.88	42.16	42.50	47.53
Five-room	40.65	48.75	56.75	44.00	44.48	46.10	50.05
Six-room	48.00	56.28	61.32	54.00	50.52	63.50	63.60
Kansas City							
Two-room	--	--	--	--	--	--	--
Three-room	23.01	18.21	21.33	22.80	21.82	24.86	23.90
Four-room	26.04	25.72	28.16	28.80	29.72	30.23	29.73
Five-room	32.45	33.85	34.95	33.65	34.56	34.93	34.22
Six-room	42.72	42.18	45.24	42.30	45.05	42.25	46.45

City	1935	1936	1937	1938	1939	1940	1941*
Los Angeles							
Two-room	$23.17	$32.48	$46.00	$42.75	$31.56	$22.94	$30.19
Three-room	31.42	34.90	43.50	36.20	36.33	34.78	33.75
Four-room	43.62	48.60	55.10	53.54	47.07	44.30	43.02
Five-room	52.15	63.00	68.40	65.50	58.50	53.75	55.10
Six-room	55.11	73.75	78.46	81.90	80.62	79.00	79.50
Milwaukee							
Two-room	26.10	29.74	28.60	30.16	28.67	29.18	29.59
Three-room	31.86	32.34	35.94	35.91	34.27	35.23	35.77
Four-room	38.40	39.12	44.52	42.40	42.20	42.35	42.45
Five-room	49.40	46.30	53.00	50.55	51.43	51.50	53.10
Six-room	56.16	54.00	65.70	61.20	57.46	60.50	66.50
Minneapolis							
Two-room	26.92	28.55	31.25	29.71	27.74	28.34	25.78
Three-room	30.53	31.37	34.70	35.42	36.26	33.83	34.50
Four-room	32.45	34.80	36.90	39.70	41.05	40.92	39.80
Five-room	37.39	41.77	44.22	45.47	47.26	48.00	46.80
Six-room	44.83	52.28	52.43	52.45	55.55	57.30	55.40
New York							
Two-room	51.90	52.16	55.20	51.16	50.93	49.04	47.53
Three-room	57.30	58.35	61.71	61.71	61.64	59.80	57.52
Four-room	65.24	68.04	69.68	70.52	71.80	71.97	69.60
Five-room	71.20	73.55	76.35	80.20	81.28	76.90	77.30
Six-room	78.78	83.58	93.36	88.50	90.56	85.00	83.00
Omaha							
Two-room	29.85	30.15	30.76	29.24	30.44	29.90	30.57
Three-room	33.47	35.68	36.43	34.93	36.65	36.54	35.20
Four-room	39.39	39.85	42.62	41.10	45.81	44.37	44.52
Five-room	46.95	46.43	51.26	47.40	55.03	54.98	52.99
Six-room	58.62	64.00	61.50	66.68	78.28	71.82	62.50
Philadelphia							
Two-room	33.58	34.80	35.90	34.90	35.51	35.65	35.80
Three-room	40.02	41.88	45.33	44.25	43.94	44.30	46.60
Four-room	52.48	50.48	52.84	49.56	50.64	50.68	51.49
Five-room	57.00	59.00	61.05	61.85	58.85	58.64	59.10
Six-room	75.66	70.20	75.00	71.10	65.37	71.10	73.60
Pittsburgh							
Two-room	31.94	31.02	35.02	37.52	40.35	38.06	37.82
Three-room	29.88	31.56	40.98	41.64	41.71	41.44	41.40
Four-room	40.72	42.08	52.88	51.84	51.16	49.92	52.10
Five-room	44.55	46.45	59.35	58.05	55.56	53.53	58.80
Six-room	48.84	55.86	68.16	63.96	59.21	60.00	65.05
St. Louis							
Two-room	22.70	23.26	23.50	26.38	28.30	29.11	31.05
Three-room	34.62	35.91	34.44	35.91	35.91	35.80	36.90
Four-room	39.80	42.72	43.12	43.44	43.54	43.93	45.90
Five-room	44.20	46.65	49.70	42.20	52.00	51.05	53.10
Six-room	51.00	55.86	57.54	60.00	58.43	57.78	64.04
San Francisco							
Two-room	28.88	31.20	35.10	35.43	35.48	33.55	32.57
Three-room	34.00	35.20	41.85	42.38	41.49	39.58	39.58
Four-room	38.90	41.55	48.90	48.10	48.12	46.43	47.10
Five-room	49.00	49.02	64.75	63.05	60.09	59.55	60.05
Six-room	77.12	71.00	84.50	86.05	87.86	87.80	73.00
Seattle							
Two-room	23.95	26.03	31.10	29.76	31.25	31.40	34.59
Three-room	30.74	32.28	36.36	38.40	38.00	38.15	39.60
Four-room	38.20	38.06	39.10	40.22	45.21	43.60	47.03
Five-room	46.82	47.97	48.50	49.00	53.96	52.70	55.55
Six-room	51.90	58.34	62.00	58.50	66.76	68.19	68.02

*Preliminary

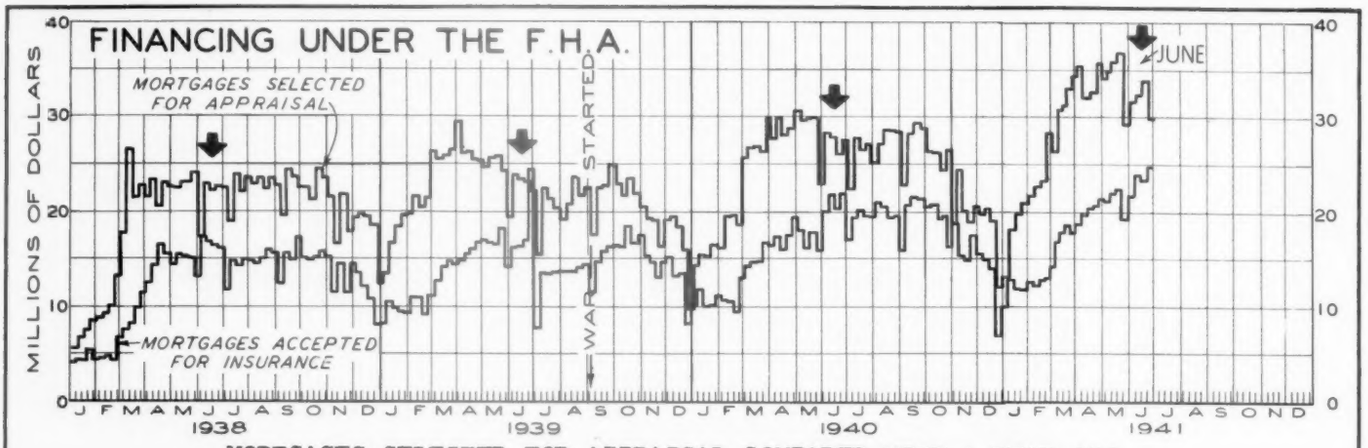
REAL ESTATE TRANSFERS IN PRINCIPAL CITIES

INDEX 1940 = 100



THE REAL ESTATE ANALYST INDEX OF RESIDENTIAL RENTS

	1940		1941													
	Dec.		Jan.		Feb.		Mar.		Apr.		May		June		July	
	Res.	Apt.	Res.	Apt.	Res.	Apt.	Res.	Apt.	Res.	Apt.	Res.	Apt.	Res.	Apt.	Res.	Apt.
National Index	$8.45	$11.80	$8.44	$11.80	$8.47	$11.80	$8.50	$11.80	$8.56	$11.81	$8.64	$11.88	$8.71	$11.88	$8.78	$11.90
Atlanta	8.07	11.15	8.04	11.17	8.03	11.16	8.06	11.18	8.03	11.20	8.15	11.30	8.25	11.30	8.32	11.30
Baltimore	7.30	10.31	7.28	10.33	7.30	10.39	7.53	10.46	7.80	10.55	8.09	10.70	8.25	10.76	8.46	10.91
Birmingham	6.47	9.96	6.47	9.96	6.58	9.96	6.57	10.02	6.64	10.01	6.76	10.02	6.79	10.01	6.80	10.01
Boston	8.32	14.90	8.35	14.79	8.30	14.76	8.36	14.62	8.50	14.68	8.53	14.49	8.52	14.45	8.65	14.61
Chicago	10.78	12.65	10.91	12.61	11.10	12.76	11.28	12.80	11.40	12.80	11.41	13.01	11.70	13.09	11.67	13.20
Cincinnati	9.69	12.93	9.73	13.00	9.75	13.11	9.91	13.10	10.09	13.10	10.11	13.10	10.40	12.98	10.42	12.99
Cleveland	9.75	12.89	9.76	12.97	9.81	12.85	9.90	12.95	9.92	13.01	10.04	13.09	10.25	13.15	10.36	13.29
Columbus	7.14	10.87	7.14	10.88	7.13	10.96	7.14	10.90	7.20	11.00	7.29	11.05	7.41	11.02	7.54	11.03
Denver	7.71	12.60	7.64	12.60	7.63	12.50	7.54	12.49	7.64	12.48	7.65	12.43	7.75	12.41	7.84	12.40
Detroit	9.08	11.75	9.04	11.76	9.19	11.76	9.36	11.80	9.50	11.82	9.66	12.01	9.80	12.10	9.96	12.19
Houston	8.05	10.70	8.04	10.63	7.98	10.56	7.91	10.41	7.89	10.32	7.87	10.30	7.88	10.23	7.91	10.20
Kansas City	6.10	7.15	6.09	7.15	6.06	7.18	6.11	7.15	6.14	7.11	6.25	7.13	6.39	7.12	6.46	7.19
Los Angeles	10.60	11.32	10.70	11.29	10.68	11.18	10.81	11.21	10.80	11.29	10.93	11.29	10.92	11.29	10.91	11.30
Milwaukee	8.96	10.70	8.93	10.66	8.96	10.70	8.96	10.71	9.02	10.80	9.05	10.87	9.05	10.86	9.09	10.89
Minneapolis	7.99	10.25	7.92	10.25	7.97	10.20	7.96	10.20	8.00	10.29	8.14	10.23	8.14	10.22	8.25	10.23
New Orleans	9.02	10.58	8.90	10.52	9.24	10.56	8.79	10.56	8.73	10.46	8.61	10.36	8.78	10.45	8.91	10.40
New York	12.56	19.48	12.53	19.30	12.54	19.21	12.40	19.10	12.40	19.14	12.40	18.99	12.42	19.08	12.40	19.16
Omaha	6.81	11.71	6.81	11.72	6.85	11.77	6.91	11.70	6.96	11.61	7.01	11.54	7.13	11.55	7.24	11.50
Philadelphia	7.13	14.08	7.13	14.05	7.08	13.98	7.06	13.99	7.00	13.99	7.16	14.02	7.36	14.18	7.38	14.26
Pittsburgh	9.24	11.75	9.22	11.70	9.24	11.82	9.29	11.90	9.34	12.10	9.31	12.28	9.28	12.33	9.28	12.36
Richmond	8.23	11.16	8.25	11.28	8.37	11.33	8.45	11.45	8.40	11.59	8.47	11.49	8.42	11.52	8.36	11.50
Saint Louis	8.04	10.60	7.99	10.69	8.08	10.72	8.14	10.79	8.32	10.77	8.38	10.90	8.48	10.92	8.60	10.89
Salt Lake City	7.76	10.91	7.75	10.94	7.81	10.91	7.86	10.87	7.89	10.80	7.83	10.80	7.84	10.78	7.91	10.70
San Francisco	9.75	13.00	9.73	13.01	9.70	13.09	9.76	13.02	9.74	13.00	9.86	13.01	9.89	13.00	9.91	12.98
Seattle	7.72	11.81	7.78	11.81	7.86	11.81	8.09	11.82	7.94	11.89	8.05	11.97	8.09	11.92	8.20	12.00
Tulsa	7.39		7.30		7.31		7.28		7.28		7.29		7.27		7.30	



MORTGAGES SELECTED FOR APPRAISAL COMPARED WITH A YEAR AGO

1940								1941					
May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
+18%	+11%	+42%	+24%	+27%	+16%	+13%	+16%	+21%	+18%	+21%	+18%	+14%	+24%

MORTGAGES ACCEPTED FOR INSURANCE COMPARED WITH A YEAR AGO

+9%	+2%	+67%	+58%	+37%	+19%	+15%	+7%	+12%	+16%	+19%	+15%	+19%	+34%

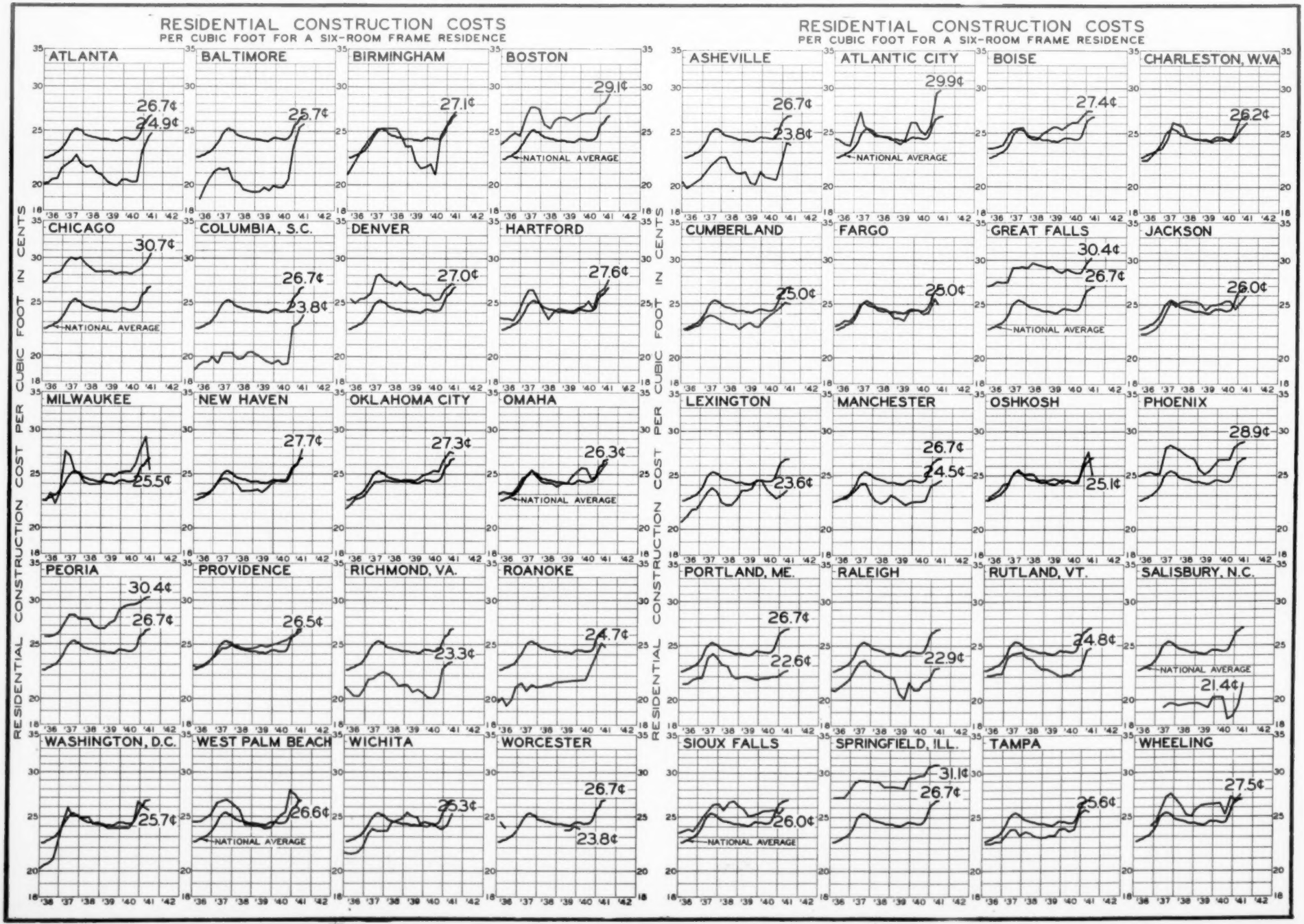
BUILDING COSTS OF A STANDARD SIX ROOM FRAME RESIDENCE BUILT IN ST. LOUIS

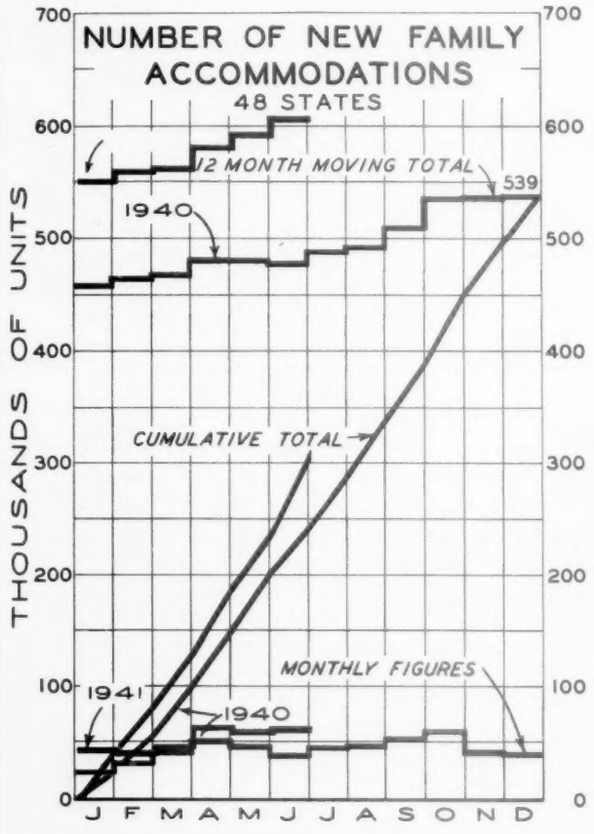
The chart on p. 197 of the August 1940 Real Estate Analyst shows the variations in the costs of materials, labor and overhead for a six room frame residence in St. Louis. Floor plans and a picture of the house are shown with the chart. Costs are grouped into four classifications of material, four of labor and three of overhead. A further breakdown of these groups is given in detail below. Columns of the table are numbered, and a brief description of the items included in each is given in the paragraphs below. Paragraphs are numbered to correspond with the columns described. Building material costs are printed in black; the corresponding labor items are given in red. Overhead items - columns 13, 14, and 15 are also printed in black.

*No labor items are shown in column 13, Building Hardware, as they have already been included in column 5, Mill Work.

Group A:
(1) Mason Materials: Cement, sand, gravel, quick lime, hydrated lime, hard wall plaster, face and common brick, fire brick, flue lining. Labor.
(2) Tile Materials: 4¼ x 4¼ wall tile, ceramic floor tile, cap and base. Labor.
Group B:
(3) Unfinished Lumber: Columns, beams, floor and ceiling joists, interior and exterior studs, rafters, bracing, etc. Labor.
(4) Finished Lumber: Sub-flooring, sheathing, beveled siding, finished floors, asphalt shingle roofing, roofing felt, tar paper, shutters, etc. Labor.
(5) Mill Work: Windows, doors, trim, kitchen cabinet, stairs. Labor.
Group C:
(6) Heating: Boiler, insulating jackets, fittings, tools, pipes, connections, valves and radiation. Labor.
(7) Plumbing: Soil pipes and connections, stack, water pipe and connections, lead oakum and bathroom fixtures; hot water heater and tank to be furnished by others. Labor.
Group D:
(8) Sheet Metal: Copper gutters, downspouts, flashing. Labor.
(9) Electrical Work: Main switch, BX cable, switch boxes, receptacles, transformer, etc. No fixtures included. Labor.
(10) Nails and Hardware: Common and wire nails, bolts, damper, ash doors, finish hardware.
(11) Paint Materials: White lead, linseed oil, turpentine. Labor.
(12) Misc.: Metal & wood laths, corner bead, insulation. Labor.
Group E:
(13) Overhead and profit of subcontractors in plastering, metal work, heating, plumbing, electrical work and tile work.
(14) General contractor's profit.
(15) Missouri sales tax (now 2% on materials), old age and unemployment tax (federal and state), liability and employees' compensation insurance, fire and tornado insurance, completion bond.
(16) TOTAL CONSTRUCTION COST.

	GROUP A				GROUP B						GROUP C				GROUP D								GROUP E			TOTAL
YEAR	(1)		(2)		(3)		(4)		(5)		(6)		(7)		(8)		(9)		(10)		(11)		(12)		(13)	(14)	(15)	(16) TOTAL
Ja 1937	$508	$508	$111	$67	$364	$186	$688	$245	$539	$221	$239	$160	$308	$134	$59	$22	$32	$57	$64	*	$28	$104	$227	$53	$355	$528	$289	$6097
Ap 1937	503	508	111	67	423	186	763	245	591	221	246	160	335	134	55	22	30	57	64		31	104	227	53	360	550	295	6342
Jl 1937	500	519	111	67	423	186	772	245	592	221	250	160	332	161	53	22	29	57	64		31	104	227	53	376	556	332	6443
O 1937	500	510	111	67	369	184	745	244	592	221	255	160	330	134	48	22	26	57	65		30	104	223	53	360	541	324	6274
Ja 1938	500	428	103	67	369	162	693	210	591	189	255	160	313	134	48	19	26	57	68		29	88	223	42	344	512	315	5946
Ap 1938	500	428	103	67	343	162	633	210	592	189	231	160	305	134	45	19	25	57	68		27	88	222	42	335	490	310	5786
Jl 1938	516	428	103	67	343	162	631	210	549	169	239	160	285	134	45	19	25	57	64		27	88	221	42	328	489	301	5703
O 1938	516	417	103	67	343	142	631	185	550	167	239	160	283	134	48	17	26	57	64		28	88	221	42	326	484	296	5634
Ja 1939	515	417	103	77	353	142	642	185	525	167	239	160	284	134	49	17	27	57	64		28	88	192	42	329	482	297	5615
Ap 1939	510	561	103	77	345	164	644	219	509	198	239	160	267	134	48	19	26	57	64		29	116	192	61	348	507	329	5926
Jl 1939	516	561	103	77	346	164	639	219	508	198	239	160	271	131	46	19	26	57	64		29	116	191	61	346	507	329	5923
O 1939	510	561	103	77	395	164	713	219	509	198	239	160	285	131	52	19	29	57	65		30	116	193	61	353	522	335	6096
Ja 1940	510	538	103	77	374	158	679	215	567	195	236	160	282	131	58	17	32	57	65		30	93	193	61	352	516	327	6005
Ap 1940	510	538	103	77	371	158	651	215	566	195	236	160	285	131	63	17	35	57	65		30	93	193	61	352	516	327	6004
Jl 1940	510	538	103	77	371	158	651	215	566	195	236	160	285	131	63	17	35	57	65		30	93	193	61	352	516	327	6004
Ag 1940	510	556	103	77	415	158	735	215	604	195	236	160	285	161	63	17	31	57	66		30	93	201	69	361	540	341	6278
S 1940	510	556	145	77	448	158	736	215	604	195	236	160	301	161	63	17	31	57	66		30	93	195	69	379	551	345	6400
O 1940	510	542	145	86	494	162	763	218	628	197	254	160	294	161	63	17	31	57	66		32	93	203	75	385	564	351	6551
N 1940	510	542	145	86	493	162	805	218	646	197	254	160	295	161	62	17	27	57	66		32	93	203	75	385	569	351	6611
D 1940	510	640	145	86	493	182	805	243	645	219	242	160	266	161	62	15	27	58	66		32	104	203	78	380	585	375	6786
Ja 1941	515	640	145	86	493	182	808	243	645	219	242	160	266	161	62	19	28	58	67		33	104	203	78	380	585	375	6797
F 1941	515	639	145	86	493	182	753	243	633	219	251	180	269	149	62	19	28	63	69		33	131	203	78	387	583	376	6789
Mr 1941	487	639	145	86	465	182	748	243	633	219	251	180	269	149	62	19	28	63	69		33	131	202	79	388	577	374	6721
Ap 1941	487	639	159	86	463	182	771	243	633	219	251	180	274	149	62	19	28	63	69		33	131	202	79	396	581	376	6775
My 1941	508	639	159	86	448	197	732	265	635	240	250	180	274	149	62	19	23	63	72		33	131	205	79	396	585	381	6811
Je 1941	510	639	159	86	441	201	785	268	635	242	250	180	274	149	73	19	25	63	72		33	131	203	79	396	591	384	6888
Jl 1941	510	650	159	86	553	220	802	279	635	252	250	180	274	149	90	19	27	63	72		34	131	220	79	396	613	397	7142


RESIDENTIAL CONSTRUCTION COSTS
PER CUBIC FOOT FOR A SIX-ROOM FRAME RESIDENCE
RESIDENTIAL CONSTRUCTION COST PER CUBIC FOOT IN CENTS
ATLANTA
26.7¢
24.9¢
BALTIMORE
25.7¢
BIRMINGHAM
27.1¢
BOSTON
29.1¢
NATIONAL AVERAGE
CHICAGO
30.7¢
NATIONAL AVERAGE
COLUMBIA, S.C.
26.7¢
23.8¢
DENVER
27.0¢
HARTFORD
27.6¢
MILWAUKEE
25.5¢
NEW HAVEN
27.7¢
OKLAHOMA CITY
27.3¢
OMAHA
26.3¢
NATIONAL AVERAGE
PEORIA
30.4¢
26.7¢
PROVIDENCE
26.5¢
RICHMOND, VA.
23.3¢
ROANOKE
24.7¢
WASHINGTON, D.C.
25.7¢
WEST PALM BEACH
26.6¢
NATIONAL AVERAGE
WICHITA
26.3¢
WORCESTER
26.7¢
23.8¢
ASHEVILLE
26.7¢
23.8¢
ATLANTIC CITY
29.9¢
NATIONAL AVERAGE
BOISE
27.4¢
CHARLESTON, W.VA.
26.2¢
CUMBERLAND
25.0¢
FARGO
25.0¢
GREAT FALLS
30.4¢
26.7¢
NATIONAL AVERAGE
JACKSON
26.0¢
LEXINGTON
23.6¢
MANCHESTER
26.7¢
24.5¢
OSHKOSH
25.1¢
PHOENIX
28.9¢
PORTLAND, ME.
26.7¢
22.6¢
RALEIGH
22.9¢
RUTLAND, VT.
24.8¢
SALISBURY, N.C.
NATIONAL AVERAGE
21.4¢
SIOUX FALLS
26.0¢
NATIONAL AVERAGE
SPRINGFIELD, ILL.
31.1¢
26.7¢
TAMPA
25.6¢
WHEELING
27.5¢
'36 '37 '38 '39 '40 '41 '42

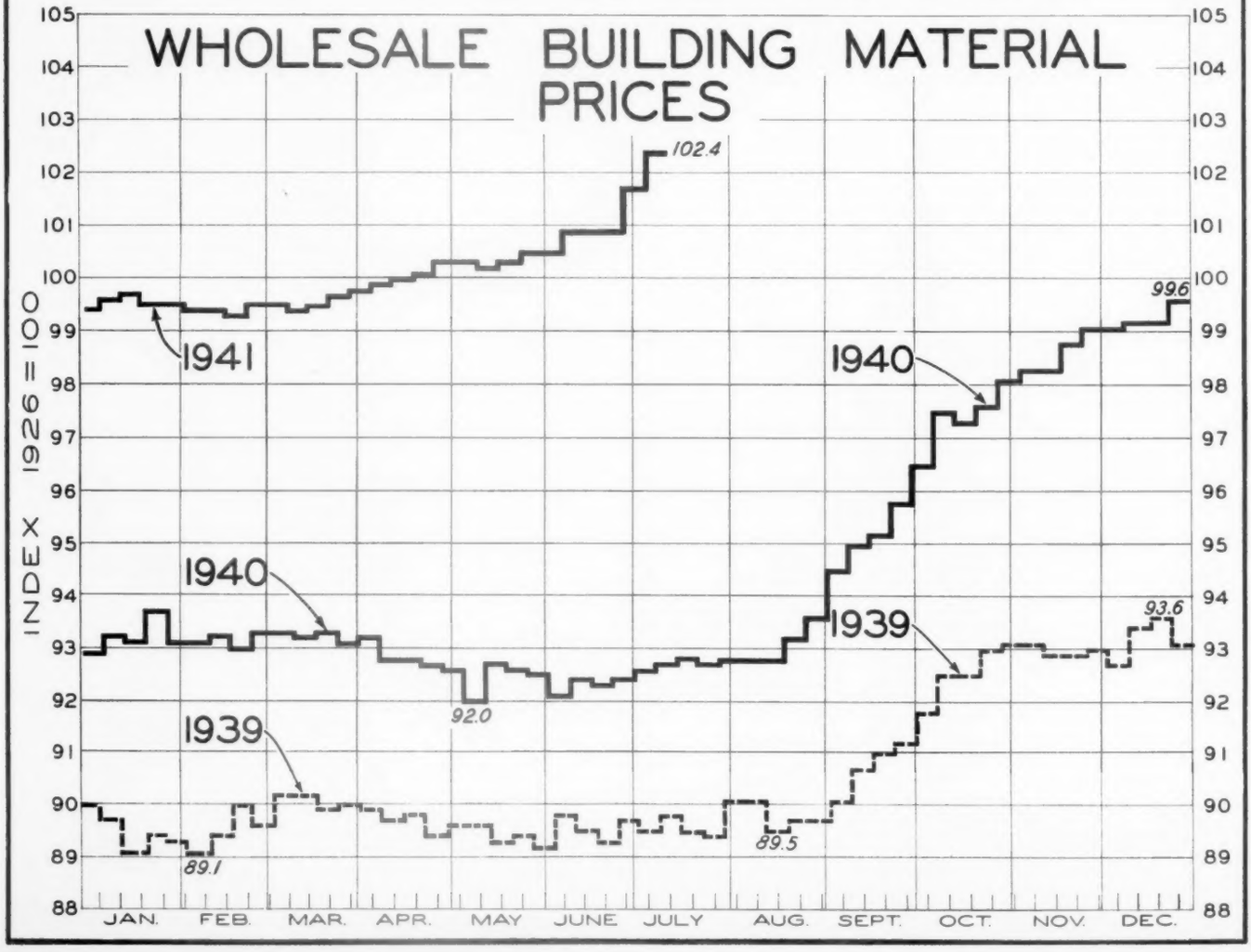


DWELLING UNITS CONSTRUCTED IN 48 STATES
(in thousands of units)

	Monthly			Cumulative			12 Month Moving Total		
	1939	1940	1941	1939	1940	1941	1939	1940	1941
January	30.1	25.7	40.4	30.1	25.7	40.4	345	461	553
February	29.2	33.7	40.2	59.3	59.4	80.6	359	465	560
March	39.4	42.0	45.9	98.7	101.4	126.5	375	468	564
April	36.6	51.1	63.6	135.3	152.5	190.1	386	482	576
May	49.6	49.1	57.9	184.9	201.6	248.0	409	482	585
June	40.6	38.8	61.5	225.5	240.4	309.5	422	480	608
July	38.1	48.9		263.6	289.3		423	491	
August	46.2	49.4		309.8	338.7		435	494	
September	35.7	53.0		345.5	391.7		435	511	
October	36.1	62.4		381.6	454.1		439	537	
November	42.5	42.7		424.1	496.8		450	538	
December	40.9	41.9		465.0	538.7		465	539	

THE chart to the left and the table above show the number of new family accommodations built in all non-farm communities of the 48 states and the District of Columbia. 1940 is indicated in black and 1941 in red.

Charted below are wholesale building material prices by weeks, as compiled by the Bureau of Labor Statistics. The rapid rises of the recent past are quite striking. We think they will continue.



JULY 28
1941

EXECUTIVE DIGEST

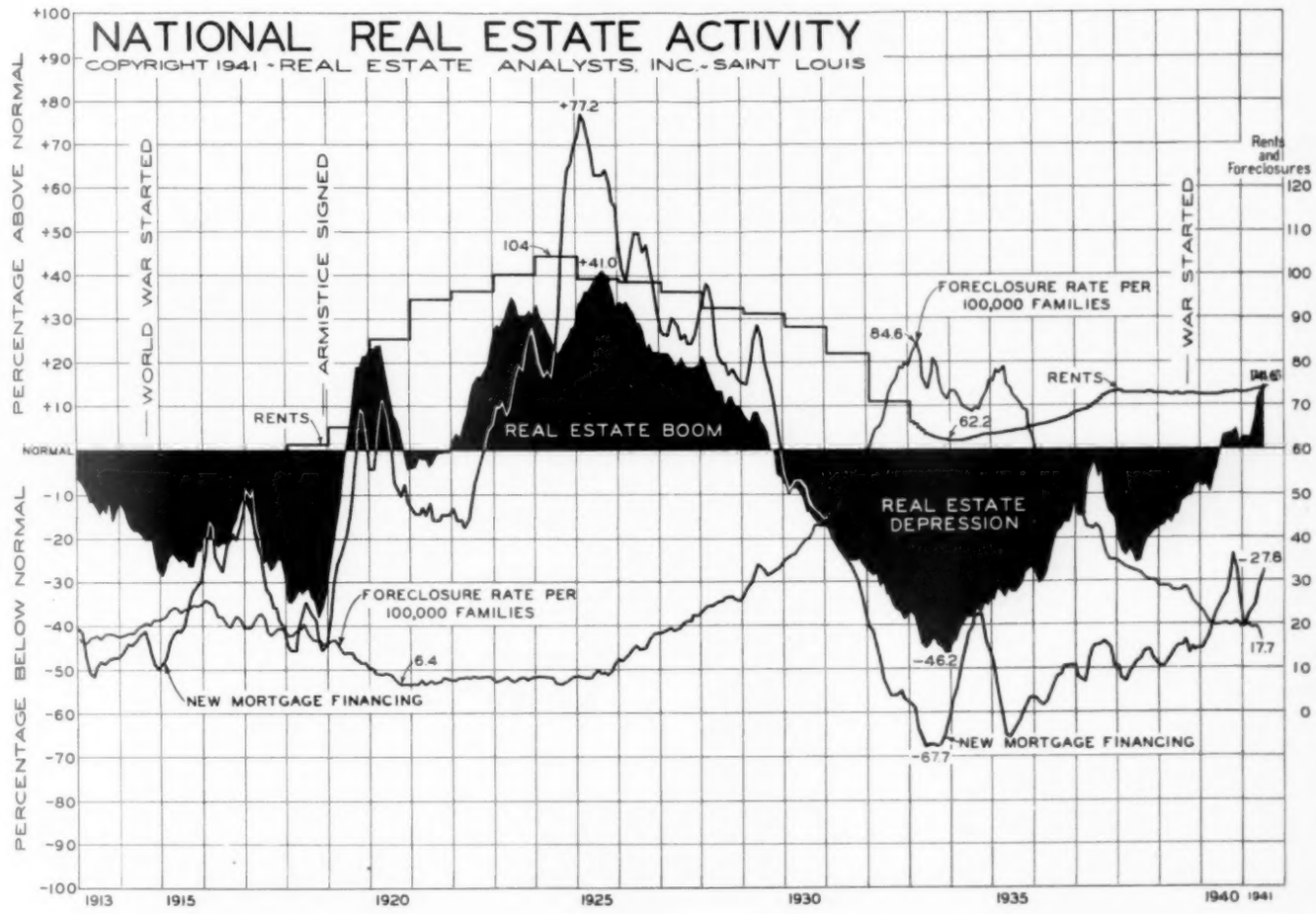
OF THE CURRENT REAL ESTATE ANALYST REPORTS

REAL ESTATE ANALYSTS, INC.

Real Estate Economists, Appraisers and Counselors

Roy Wenzlick
Editor

VOLUME X



REAL estate activity continues upward on our chart. In June the preliminary figure for the national average was 14.6% above normal in contrast with a final figure for May of 13.0% and for April of 11.6%. A year ago real estate activity was just at the normal line. If it drops back to normal within the next year it will be the first time that this has happened over the entire stretch of our long chart. Always in the past when it has built up enough momentum to have reached this height, it has gone higher. Only on one occasion, in 1920 and 1921, has it fallen back to normal in less than four years. The entry of the United States into a shooting war might bring it back to normal for a short time but in our opinion will not be able to hold it down.

Foreclosures dropped to still lower levels - breaking another fifteen-year record. Residential rents advanced slightly from 74.1 on our index in May to 74.3 in June and 74.6 in July. Mortgage activity also increased to the highest level reached in any month (save one) since 1931.